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# BUSINESS PLAN

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OISSO GROUP LIMITED



[DATE]

OISSO GROUP LIMITED

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## **1. EXECUTIVE SUMMARY**

The proposed business is the manufacturing of the HDPE/PP woven Bags, and it is expected to take place in Arusha region. The main product which will be offered by this business will be PP Woven Bags (Sacks) and Polythene Bags. The factory will be dedicated to the communities of Monduli District and Arusha Region and also to those from outside of Arusha region. The Arusha Monduli community will be fully involved in all the stages of planning and implementation this is because they are the main stakeholders of the business. The business will address the issue of environmental sustainability and promote the economic improvement of the Arusha communities by creating employment opportunities.

## **2. DESCRIPTIONS OF THE BUSINESS**

The business name is Oisso Group Limited, a private liability company limited by shares, registered under the Laws of the United Republic of Tanzania with certificate of incorporation no. 144082907 dated 06<sup>th</sup> day of October, 2020. The company has obtained a certificate of registration for tax identification number 144-082-907 on 06<sup>th</sup> day of October, 2020, carrying a business of Manufacturing of PP Woven Bags and Polythene Bags. The business is owned by its co-founders, Linderman Alfred Lekey, and Macroziana Lindaman Lekey, each having an experience with business and manufacturing projects.

### **2.1 Vision**

OISSO GROUP LIMITED vision is to ensure that, significantly high quality performance than any of its competitors in the industry. The power of high quality services is what the project offer at. In this project there are experienced professionals collaborating to provide the top quality products, services and management. Both inside and outside of Arusha the project emphasis the value of human aspirations, inspiration and achievement. The project success is powered by ideas and ideas come from all kinds of people.

The Company can make sure that products can be provided all through the year

### **2.2 Mission**

The OISSO GROUP LIMITED can make sure that it simplifies and add value to Packaging by make sure that there is enough stock to distribute in ARUSHA in all over the year, and at affordable and reasonable price to all Arusha Customers and other people across the area.

## 2.3 Employees

### 2.3.1 The employees structure will be as follow

<b>SECTION</b>	<b>NUMBER OF EMPLOYESS</b>
Extruder	8
Looms	20
Cutting	5
Sewing	12
Printing	4
Bailing	4
Finishing	4
<b>TOTAL</b>	<b>57</b>

### 2.3.2 EMPLOYEES DEVELOPMENT PLAN

The company is very much conscious regarding the employee's development and affairs. The company will focus on the ways to improve employee's performances and their skills. As an employee shall continue to work with OISSO GROUP LIMITED, he/she will be trained and prepared to have the capability to handle whatever future higher job positions in the company. Working in conjunction with the experts, will boost the skills and capability of the local employees to hold the same positions in future.

### 2.3.3 PROSPECTIVE EMPLOYMENT OPPORTUNITIES

OISSO GROUP LIMITED is operated by the principle of going concern, as the result, we expect that our business operations will bear positive fruits to the surrounding communities, either directly or indirectly.

As the business will keep on running, we plan to expand the scale of production, by adding more machines, so that we can enable many people to get employment opportunities. Also the company can enjoy the benefit of expanding the scale of production.

The following is the table showing prospective employment opportunities in future three years.

YEAR	ACTION	BENEFICIARIES	DIRECT BENEFIT	INDIRECT BENEFIT
2023	Installation of new Extruder Plant	machine operators, Animal feeds packers and manufactures	Employment	Adequate service delivery to the customers family prosperity
2024	Installation of new Automatic Printer Machine	machine operators, Animal feeds packers, bread makers etc	Employment	Adequate service delivery to the customers family prosperity
2025	Installation of PP Recycler Machine	machine operators, And unskilled labors	Employment	Reduce environmental pollution by recycling all extruder machine wastes family prosperity

### 3. MARKETING SEGMENT

According to the Experience and market research it shows that there is a high demand of the PP Woven products and Polythene Bags in the region and country for the whole. High demand is attributed by the rapid expansion of the community small and large entrepreneurs, who are making different products but they are struggling to find packaging products. So the establishment of the Factory within the region may bring the solution of inadequate availability of different packaging brands in the region.

#### 3.1 Market analysis

##### 3.1.1 Customer

Intends to provide a service to a wide group of people. By looking at the market analysis, has defined the following groups as targeted segments:

- Arusha animal Feeds manufactures.
- Arusha Agriculture practioner's.
- All Arusha Maize Powder and Wheat Packers.
- All Arusha Bread Makers.
- All other from the rest of the world

##### 3.1.2 Competitive analysis

Market Research shows that the existing Factories that engaging the same business are unable to supply the products efficiently throughout the year.

The project success can depend too much on the advantage of other existing business and its uniqueness in terms of supplying their products and the way they set their customer services. Also the project success can depend much on different customers who are found in the area like Agriculture Products manufactures, Bread Bakers, Animal Feeds manufacturers, and others, depend on rise in production scale of the Oisso Group Limited stakeholders is determined to provide better services compared to other PP bags manufactures, by engaging more technology in the Process so as to save time and efficient customer service delivery.

### **3.1.3 SWOT analysis**

The S.W.O.T analysis provides an opportunity to examine the internal strengths and weakness Oisso Group Limited must address. It also allows examining the opportunities presented to Oisso Group Limited as potential threats.

#### **3.1.3.1 Strength**

- Knowledgeable and friendly staff.

The proposed owners will go to great length at OISSO GROUP LIMITED to find people with a passion of work. The current and future staff will be knowledgeable and eager to please. The company intends to hire and work with friendly and mature locals in the community who want stable employment in an easy going and comfortable workplace.

- Clear vision of the market needs

Owners has years of experience running Manufacturing Industries and knows how make the company run like a well-oiled machine. They know what it takes to build profits for an organization by taking advantage of revenue channels available in addition to be creative about generating new streams.

#### **3.1.3.2 Weaknesses**

- Access to additional operating capital.
- Challenges of the seasonality of the business on obtaining product.

### **3.1.3.3 Opportunity**

- Increased demand of PP Bags due to change in government Policy on Plastic bags.
- Inadequate manufacturers of PP Woven bags in the Country.

### **3.1.3.4 Threat**

- Absence of Plastic Raw materials manufactures in the country, as the company has to import from other Countries like Saudi Arabia and India.

## **3.2 Marketing strategy**

### **3.2.1 Process**

OISSO GROUP LIMITED intends to provide its customers with a fast service without any delays whenever necessary, hence will make customers to be reliable towards the Factory.

### **3.2.2 Promotion**

Normally, OISSO GROUP LIMITED use promotion as a key marketing decision in communicating and reaching the targeted audiences, whereby involves temporary setting of prices so as to attract the targeted customers especially during strive competition in the market.

### **3.2.3 Product**

The actual products aimed to be offered to customers are PP Woven Bags for different sizes, and Polythene Bags of different sizes.

OISSO GROUP LIMITED has enough premises such like stores, and Godown to make sure that the production process is going efficiently and goods produced are kept properly, waiting for prospective customer delivery schedule.

### **3.2.4 People**

In OISSO GROUP LIMITED people are categorize on marketing managers, decision makers and operational managers. On the market officers are used to change a planned for products, customers, geographic market and manage the transition to the people portfolio required to execute the new strategy.

On the decision maker are used to make decision on different approaches that linked to business need, then there are operational managers that used to supervise daily activities, and there are staff used to perform daily activities through selling the products to customers as well as customer care.

### **3.2.5 Pricing**

Fair prices will be maintained to attract more customers to the Company. The price would be set according to the rules and regulations which are provided by the Government, the company cannot set the price for the aim of getting higher profit rather than providing the proposed services. Every care will be observed to make the products from the factory uniquely. Also the Price will be determined by well controlled production cost with reference to the average existing prices in the local markets.

### **3.2.6 Distribution Channels**

Significant effort will be made to advertise the products to the consumers and the rest of the stake holders. The organization will use all major means of communication which are found in Arusha region in order to make many people be aware about the provided products. Another means shall be used to advertise by making sure that the customers are given services at the maximum quality.

## **4 OPERATIONAL SEGMENT**

Have engaged professional manufacturing experts, who shall fully participate in production process to make a follow-up as the product undergone different stages of production.

For quality control of the services provided and security as well, the Factory is installed with security cameras to monitor all activities that are undertaken. The working environment for workers will be conducive to make sure they provide quality service. .

Activities are expected to be conducted at minimum costs and maximum supervision which will also include checking of the of products when bought and regular checking at the factory; to make sure the impurities are not added and quality is maintained.

## **OISSO GROUP LIMITED.**

### ORGANISATION HIERARCHY

Board of directors



Managers/ supervisors



Employees

## **5 FINANCIAL PLAN**

### **5.1 SOURCE AND USES OF FUND**

#### **5.1.1 Source**

Total investment costs is Tshs. **2,000,000,000** of which the loan is Tshs. **400,000,000** and owner's equity contribution is Tshs. **1,600,000,000/=**.

<b>CAPITAL</b>	<b>AMOUNT</b>
CASH	1,600,000,000.00
DEBT	400,000,000.00
<b>TOTAL</b>	<b>2,000,000,000.00</b>

### 5.1.2 Application of funds

S/N	ITEM	AMOUNT IN TSH
1	Land	110,000,000
2	Buildings (factory)	500,000,000
3	Machinery	500,000,000
4	Materials	300,000,000
5	Vehicles	300,000,000
6	Buildings (office)	110,000,000
7	office Equipments	50,000,000
8	Miscellaneous	80,000,000
9	Reserves	50,000,000
	<b>TOTAL</b>	<b>2,000,000,000</b>

## 5.2 FINANCIAL PROJECTIONS

### 5.2.1 Cash Flow Projection

<b>OISSO GROUP LIMITED</b>			
<b>CASH FLOW PROJECTIONS FOR 3 YEARS</b>			
<b>YEAR</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Cash at beginning of the year</b>	-	<b>887,000,000.00</b>	<b>989,000,000.00</b>
<b><u>CASH INFLOWS</u></b>			
<i>Equity</i>	1,600,000,000.00		
<i>Loan</i>	400,000,000.00		
cash sales	700,000,000.00	900,000,000.00	1,000,000,000.00
trade receivables	-	35,000,000.00	45,000,000.00
<b>TOTAL CASH INFLOWS</b>	<b>2,700,000,000.00</b>	<b>1,822,000,000.00</b>	<b>2,034,000,000.00</b>
<b><u>CASH OUTFLOWS</u></b>			
purchase of PPE	1,300,000,000.00	200,000,000.00	100,000,000.00
factory expenses	80,000,000.00	100,000,000.00	218,525,000.00
Others	200,000,000.00	300,000,000.00	450,000,000.00
Finance costs	233,000,000.00	233,000,000.00	233,000,000.00
<b>TOTAL CASH OUTFLOWS</b>	<b>1,813,000,000.00</b>	<b>833,000,000.00</b>	<b>1,001,525,000.00</b>
<b>Net Cash at the end</b>	<b>887,000,000.00</b>	<b>989,000,000.00</b>	<b>1,032,475,000.00</b>

## 5.2.2 Projected Income statement

<b>OISSO GROUP LIMITED</b>			
<b>PROJECTED STATEMENT OF COMPREHENSIVE INCOME FOR 3YRS 2023</b>			
	<b>2025</b>	<b>2024</b>	<b>2023</b>
	<b>Tshs</b>	<b>Tshs</b>	<b>Tshs</b>
Income	1,180,000,000.00	1,075,000,000.00	700,000,000.00
Less: Cost of Sales	<u>236,000,000.00</u>	<u>215,000,000.00</u>	<u>140,000,000.00</u>
<b>Gross Profit</b>	<b>944,000,000.00</b>	<b>860,000,000.00</b>	<b>560,000,000.00</b>
Less: Operating expenses			
Factory expenses	150,000,000.00	100,000,000.00	80,000,000.00
Depreciation charges	<u>150,031,250.00</u>	<u>189,875,000.00</u>	<u>243,000,000.00</u>
<b>Operating Profit</b>	<b>643,968,750.00</b>	<b>570,125,000.00</b>	<b>237,000,000.00</b>
less: Finance Cost	<u>233,000,000.00</u>	<u>233,000,000.00</u>	<u>233,000,000.00</u>
<b>Net operating profit for the year</b>	<b><u>410,968,750.00</u></b>	<b><u>337,125,000.00</u></b>	<b><u>4,000,000.00</u></b>

### 5.2.3 Projected statement of Financial Position

<b>OISSO GROUP LIMITED</b>			
<b>PROJECTED STATEMENT OF FINANCIAL POSITION 2023-2025</b>			
	TZS	TZS	TZS
<b>ASSETS</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
<b><u>Non-Current Assets</u></b>			
Property, Plant and Equipments	987,093,750.00	1,137,125,000.00	1,327,000,000.00
<b>Total Non-Current Assets</b>	<b>987,093,750.00</b>	<b>1,137,125,000.00</b>	<b>1,327,000,000.00</b>
<b><u>Current Assets</u></b>			
Inventories	80,000,000.00	43,000,000.00	-
Cash and Bank balances	1,032,475,000.00	989,000,000.00	887,000,000.00
Trade and other receivables	45,000,000.00	35,000,000.00	-
<b>Total Current Assets</b>	<b>1,157,475,000.00</b>	<b>1,067,000,000.00</b>	<b>887,000,000.00</b>
<b>TOTAL ASSETS</b>	<b>2,144,568,750.00</b>	<b>2,204,125,000.00</b>	<b>2,214,000,000.00</b>
<b>EQUITY AND LIABILITIES</b>			
<b><u>Capital and Reserves</u></b>			
Share Capital	1,600,000,000.00	1,600,000,000.00	1,600,000,000.00
Profit/loss	410,968,750.00	337,125,000.00	4,000,000.00
<b>Total Capital and Reserves</b>	<b>2,010,968,750.00</b>	<b>1,937,125,000.00</b>	<b>1,604,000,000.00</b>
<b><u>Liabilities</u></b>			
Payables	-	-	210,000,000.00
bank loan	133,600,000.00	267,000,000.00	400,000,000.00
<b>Total Liabilities</b>	<b>133,600,000.00</b>	<b>267,000,000.00</b>	<b>610,000,000.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,144,568,750.00</b>	<b>2,204,125,000.00</b>	<b>2,214,000,000.00</b>

## 6 CRITICAL RISKS

### 6.1 Risk of fire

PP machinery and Plants are hundred percent depend on electrical power, which are sometimes exposed to fire explosion in case there is electrical shock. All plants have been covered with the insurance to make sure that the company shall not losses the principal amount whenever accident happens. Also there is a well trained staff, and operators, who knows how to use fire extinguishers in case of fire.

Also no one is allowed to deal/touch any electrical instrument without permission from electrical engineer. This is to make sure that Employees are working on safe environment and Machines and Plants are safe.

### **6.2 Health risk**

The environment is also exposed to Health risks, such like being hited by heavy and sharp instruments. The employees are advised to wear protective gears, all the timed during operations so as to avoid unnecessary injuries and accidents.

### **6.3 Environmental risk**

Burning of plastic materials to get fabrics and the whole PP bags making process, ends up with obtaining waste materials. These plastics waste materials are hazardous to the environment if they are not properly stored and disposed. The factory is aware of all waste comes from production, which all are collected and transferred to recycling department to make recycled PP Coppo. This process reduces the amount of waste and make our environment cleaner and safe.